

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

UNITED STATES OF AMERICA)	
v.)	No. 14-cr-10276-IT
JOHN CRANNEY,)	
Defendant.)	

STIPULATIONS (THIRD)

The United States and John William Cranney hereby stipulate and agree as follows:

1. The documents marked as Exhibits 921 to 944 are true and accurate copies of IRS Forms 1099 issued by Shaklee, U.S., Inc. to Belmont Industries and to Jack and Nevena Cranney, for the years 2001 through 2012.
2. The document marked as Exhibit 828 is a true and accurate copy of a Judgment and Order issued in the civil case *United States of America v. Howard Musin et al.*, in case number 4:09-cv-62-JAJ-CFB, in the United States District Court for the Southern District of Iowa, Central Division.
3. The documents marked as Exhibit 791 are true and accurate copies of documents filed with the Massachusetts Registry of Motor Vehicles.
4. That if called to testify at trial, a representative of Citimortgage, Inc., a subsidiary of Citibank, would testify that:
 - a. Exhibit 166 is a true and accurate copy of a loan file for a \$737,500 home equity loan secured by a second mortgage on the home of defendant Cranney, 885 Concord Avenue, Belmont, MA, which defendant Cranney obtained from Citibank in January 2007;

- b. Exhibit 166.01 is contained in the loan file and consists of the defendant Cranney's loan application;
- c. Exhibit 166.02 is contained in the loan file and consists of a 12/27/2006 appraisal of the property located at 885 Concord Avenue, Belmont, MA;
- d. Exhibit 166.03 is contained in the loan file and consists of the Uniform Underwriting and Transmittal Summary, which summarizes the defendant Cranney's then current monthly income and housing expenses.
- e. As part of the loan application, the defendant Cranney caused to be submitted a statement under oath to CitiBank as part of his mortgage application in 2006 that his adjusted gross income for 2005 was \$646,200.
- f. The closing took place on or about January 13, 2007. At the closing, a total of \$620,462 in loan proceeds were disbursed, as follows: (1) a \$400,000 payment was made to Mark and Alisia Saab, to pay off a \$400,000 mortgage loan secured by 885 Concord Avenue, Belmont, MA. Exhibit 456 is a true and accurate copy of the mortgage and discharge; (2) a \$200,000 wire was issued by Citibank to defendant Cranney; and (3) broker fees of \$20,462 were paid. Subsequent to the loan closing, Cranney wrote a check for \$70,000 drawing on the loan and deposited it into the Cranney Capital III account on February 2, 2007. On February 9, 2007, Cranney deposited an additional \$10,000 drawn from the home equity loan to a Cranney Capital III account;
- g. Exhibit 166.04 is a letter dated April 21, 2007, which was mailed to defendant Cranney by Citibank.

- h. Exhibit 166.05 is a letter dated 5/19/2011, which was mailed to defendant Cranney by Citimortgage.
 - i. Exhibit 166.06 is a letter dated February 21, 2012, which was mailed to defendant Cranney by Citimortgage.
5. For 2005, the defendant Cranney signed and filed with the Internal Revenue Service (“IRS”) a personal income tax return reporting his adjusted gross income was \$22,168. A copy of the filed return is marked as Exhibit 528. For 2005, the defendant Cranney signed and filed with the IRS a tax return for Cranney Industries reporting an adjusted gross income of \$72,473. A copy of that return is marked as Exhibit 520. The defendant Cranney’s filed 2005 personal return and filed 2005 Cranney Industries return in aggregate recorded gross income of \$629,816.34 based on 2 Shaklee 1099s. Copies of those 1099s are marked as Exhibits 929 and 930.

Respectfully submitted,

JOHN W. CRANNEY

By: /s/ James Budreau
JAMES BUDREAU
BBO # 553391
JamesBudreau@gmail.com
Bassil & Budreau
20 Park Plaza, Suite 1005
Boston, MA 02116
(617) 366-2200

Respectfully submitted,

WILLIAM D. WEINREB
Acting United States Attorney

By: /s/ Kriss Basil
MARK J. BALTHAZARD
BBO # 544463
KRISS BASIL
BBO # 673074
Kriss.Basil@usdoj.gov
Assistant U.S. Attorneys
U.S. Attorney’s Office
1 Courthouse Way, Suite 9200
Boston, MA 02210
(617) 748-3100

Date: March 24, 2017